

IN THE UNITED STATES PATENT AND TRADEMARK OFFICE

In re Application of:	:	
Richard Marc LIBMAN	:	
Appl. No. 09/592,086	:	Art Unit: 2162
Filed: June 12, 2000	:	Examiner: R. Alvarez
For: METHOD AND APPARATUS	:	Atty. Docket: 23651.0536
FOR PREPARING CLIENT	:	
COMMUNICATIONS	:	
INVOLVING FINANCIAL	:	
PRODUCTS AND SERVICES	:	

RECEIVED

SEP 04 2002

SUPPLEMENTAL DECLARATION UNDER 37 CFR 1.131

GROUP 3600

Honorable Commissioner of  
Patents and Trademarks  
Washington, DC 20231

Sir:

The undersigned, Richard Marc Libman, declares and states that,

1. I am the sole inventor of the above-captioned patent application, U.S. Appl. No. 09/592,086, filed June 12, 2000 (hereafter the '086 Application). I am also the sole inventor of U.S. Appl. No. 08/661,004, filed June 10, 1996, now U.S. Patent No. 5,987,434 (hereafter the '434 Patent). I am also the sole inventor of U.S. Appl. No. 08/834,240, filed April 15, 1997, now U.S. Patent No. 6,076,072 (hereafter the '072 Patent).

2. The '086 Application is a continuation of the '072 Patent, which is a continuation-in-part of the '434 Patent.
3. Pending claims 1-128 of the '086 Application (new claims 2-128 being filed herewith) are fully supported by the '434 Patent, as well as the disclosure of the '086 Application.
4. Prior to December 29, 1995, I had conceived of my invention in this country, as described and claimed in the '434 Patent, and also described and claimed in the '086 Application. This is evidenced by Exhibit 1, which is a copy of my notes that document my invention of automatically preparing communications and offers for financial products and services. The flow diagram depicted in Exhibit 1, as well as the accompanying notes, state that my invention automatically analyzes, selects products and services, calculates needs, designs products, and formats communications in order to output customized communications related to financial products and services. Such an automated system and process operate according to inputs that include rules, product data, customer information, and so forth. Exhibit 1 states that my invention can use artificial intelligence to accomplish these tasks.

5. The redacted date of Exhibit 1 is prior to December 29, 1995.
6. I was diligent from prior to December 29, 1995 to the filing of the '434 Patent (filed on June 10, 1996). This is evidenced by Exhibit 2, which is a memorandum from me to Mr. Darren Osten. Mr. Osten was my former primary software developer, and was responsible for writing software for my invention, according to my instructions. I issued this Memorandum to instruct Mr. Osten to use all of his "facilities, energy, and time necessary (week-ends, days or nights)" to complete such software.<sup>1</sup> The Memorandum of Exhibit 2 is dated October 27, 1995. Accordingly, as evidenced by Exhibit 2, I was diligent from prior to December 29, 1995, until I filed the '434 Patent on June 10, 1996.
7. That all statements made of my own knowledge are true and that all statements made on information and belief are believed to be true; and I further acknowledge that willful false statements and the like so made are punishable by fine or imprisonment, or both, under Section 1001 of Title

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<sup>1</sup>In the Memorandum of Exhibit 2, my invention is called "NEWCO." I selected this name because, among my business endeavors at that time, my invention represented a "new company."

18 of the United States Code, and that such willful false statements may  
jeopardize the validity of the application or any patent issuing thereon.

By: 

Richard Marc Libman

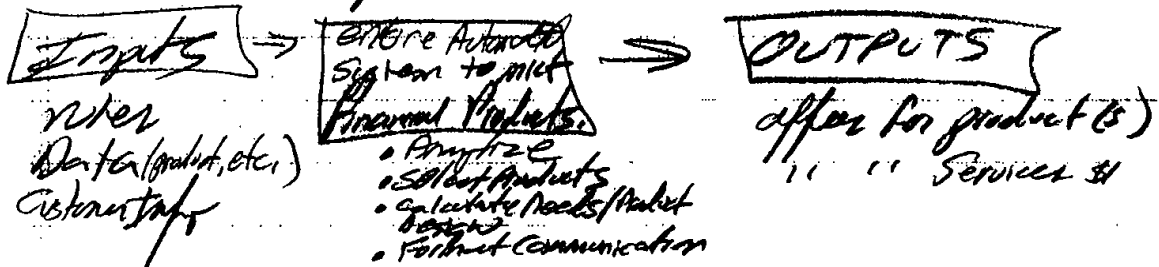
Date

8/26/02

~~Product~~  
New selling system Exhibit 1

Copy to  
Tolson

Automatic Process Financial Products/Services  
each step Automatic  
to let Step Automatic one to the next



- take each step an agent, programmer and tie it into one automated system let products from data automatically
- Be able to download one, product, thousands, millions of client records and put out a communication individualized (with product, service, format) same as an agent would show in person
- Need for an apparatus that would accomplish all of the above and replace agent. Artificial intelligence to replicate human thought process and also automate each step.

At Mtg Discuss -

- Staffing Required
- Confidentiality
- Separate office space
- Time Line
- Budget

Exhibit 2

MEMORANDUM

To: Darren Osten  
From: Richard Libman  
Date: October 27, 1995  
Re: Various Topics

Darren:

The time is drawing near that every ounce of energy we have needs to be put into getting **NEWCO** into operation. I must call upon you to use all your facilities, energy, and time necessary (week-ends, days or nights) for your department to see us through.

One of the keys to this success will be the organization of your department. I must insist that at this point we totally organize our binders, disk spaces (directories), programs, and so forth. We also need now to start making beautiful marketing materials. I would like full blown marketing materials developed by January 1st. This too must be organized because of all the changes that will occur to it as time goes by. Organization is the key to success in management of time.

I expect your department to put in the hours necessary from now until **NEWCO** is well into operation with new accounts. Are you up to the task?

Before you leave for your anticipated ten days off for your wedding, I want the proper and professional preplanning done so that not only your daily/weekly/monthly responsibilities are carried out, but **NEWCO's** development continues to move forward. This will take several weeks of planning prior to your absence. I expect you to discuss an outline with me sometime in the next ten days.

RML:mh  
darren2.doc

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# Exhibit 2

Jack Smith  
1234 Main St.  
Sacramento, CA 99999

Here are the insurance  
quotes we discussed!

Dear Mr. Smith;

Thank you for allowing me the opportunity to be of service to you. Enclosed are the insurance quotes for yourself.

The quotation for \$50,000 of permanent life insurance we discussed appears as Policy A below.

The permanent insurance policy used for this quotation is All American Life's new Universal Life policy. It is an adjustable premium policy designed to help you build cash values faster than many older life insurance policies.

For your review, I am including optional amount choices that may, perhaps, meet your long range financial objectives even better. These appear as Policies B and C.

Please, also take a moment to look over the additional benefits that are listed on the back of this letter. You may wish to include one, or all, with your Policy A, B, or C to further enhance the coverage you select.

For your convenience, I have enclosed all the necessary materials so you can apply for the coverage right now. Simply mark the selection box with your choices, then see the simple instructions on the back of this page. Or, if you prefer, call 1(800) 576-8273 extension 26 and let me do the rest.

## POLICY A\*

### «Adb»

Death Benefit

Monthly Cost: «Aprem»

Total  
Cash Value  
Build-Up<sup>††</sup>

In 15 yrs.	«CV11»
In 20 yrs.	«CV12»
At age 65	\$11,389

Policy Type: Universal Life

## POLICY B\*

### «Bdb»

Death Benefit

Monthly Cost: «Bprem»

Total  
Cash Value  
Build-Up<sup>††</sup>

In 15 yrs.	«CV21»
In 20 yrs.	«CV22»
At age 65	\$17,085

Policy Type: Universal Life

## POLICY C\*

### «Cdb»

Death Benefit

Monthly Cost: «Cprem»

Total  
Cash Value  
Build-Up<sup>††</sup>

In 15 yrs.	«CV31»
In 20 yrs.	«CV32»
At age 65	\$22,780

Policy Type: Universal Life

Yes, I choose... ☐ Policy A («Adb») ☐ Policy B («Bdb») ☐ Policy C («Cdb»)

Billing Method: ☐ Annually ☐ Quarterly ☐ Monthly (Automatic Checking Account Deduction)

\* See other side for description of this choice.

All prices are based on female, age «Age», standard non-tobacco rates.

<sup>††</sup> Total cash build-up is before any surrender charges and is based on current monthly mortality deduction and interest credited to cash value accumulation account.

## DESCRIPTION OF PLANS

Please do not mistake these policies for other insurance offers you may have previously been solicited to buy through the mail. Most of those offers are for group insurance. These policies are the same quality, individually owned policies with all the features and benefits all major life insurance companies sell through their agents.

### • The Permanent Universal Life Insurance Policy

The Permanent Life Insurance policy offered here is a adjustable premium life insurance policy typically referred to as Universal Life. Structured to build high cash values, the policy offers flexible and affordable protection<sup>†</sup>.

## HOW TO OBTAIN THIS COVERAGE

- ① **CHOOSE:** Select Policy A, B, or C, and Billing Method by checking the box on the other side of this page.
- ② **FILL OUT:**  
Jack Smith fills out the enclosed application answering all the questions. For Question 6A, please indicate either Plan A, B, or C, and for Question 6D, indicate any additional coverages desired.
- ③ **SIGN:**  
Jack Smith signs next to the two (2) red x's at the bottom of the application.
- ④ **RETURN:** Return this letter and application to us in the postage-paid envelope provided.

**Please note:** If you choose Plan C, you will need to take a short paramedical examination, which we will arrange for you at your home or office, at no cost. You will be contacted by a paramed soon after we receive your application.

- If you have any questions
- Need more information
- Need help with the enclosed forms

**Call 1(800) 576-8273**

## ADDITIONAL BENEFITS

### Permanent Insurance

#### Accelerated Death Benefit:

**NO CHARGE**

If you are diagnosed by a physician as terminally ill, you may immediately receive 75% of the death benefit, up to \$250,000, that would otherwise be payable at death. You will have the funds to provide for your care when you need it most.

#### Accidental Death Benefit:

This rider provides a \$50,000 death benefit in addition to the death benefit of your policy, in the event your death results from accidental bodily injury. The monthly cost of this additional benefit is: \$3.71 for Policy A, \$5.56 for Policy B, and \$7.42 for Policy C.

#### Child Rider:

**\$4.90 monthly**

You can provide your children with \$10,000 of term insurance each if they are between the ages of 14 days and 18 years, and you are no more than 55 years old. Coverage expires at child's age 25, or your age 65, whichever comes first.

#### Disability Waiver of Monthly Deductions:

If you become totally and permanently disabled before age 60, all policy fees, cost of insurance, and rider costs will be waived. This rider does not replace or waive the planned premium, just those portions of the premium mentioned above. The monthly cost of this additional benefit is: \$ .95 for Policy A, \$1.26 for Policy B, and \$1.57 for Policy C.

#### Make your additional benefits selection here:

☐ Child Rider ☐ Waiver of Deduction ☐ Accidental Death Benefit

## QUESTIONS & ANSWERS

### Q: What is Permanent Life Insurance?

**A:** Permanent life insurance is designed to provide a level death benefit and may also be designed with premiums that are fixed or adjustable. In addition, a permanent life insurance policy generates a cash value build-up over the life of the policy which when sufficient, the owner can access if needed. Should the policy be surrendered, the owner will receive money back based on the accumulated cash values in the policy at that time<sup>††</sup>.

### Q: Why should I buy Permanent Life Insurance?

**A:** Permanent life insurance is long-term insurance and should be the basic foundation of your life insurance protection program. Since many people keep their permanent life insurance policies for life, the net cost is much cheaper overall than buying term insurance.

The cash value build-up in a permanent insurance policy provides yet another safety measure for you. As time goes by, and when policy cash value has grown sufficiently, you can access a portion of these funds should the need for emergency cash arise unexpectedly. And, as mentioned above, should you have to surrender your policy for any reason, you will receive money back if the existing cash values are sufficient (see other side for these values)<sup>††</sup>. All in all, permanent life insurance provides the lifetime protection you want, plus the flexibility to use the policy and its many features to keep pace with your changing lifestyle over the years.

<sup>†</sup> Choices utilize All American Life Insurance Company, A USLIFE Insurance Company, policy form Medalist Max (an interest-sensitive universal life permanent insurance policy with current interest rate of 6.75% and current mortality rates). If you desire more information regarding the policies and additional benefits offered here, or more information on future values, please call our toll-free phone number above.

<sup>††</sup> Total cash value build-up is before any surrender charges and is based on current monthly mortality deduction and interest credited to cash value accumulation account.



# Exhibit 3

**ICA Insurance Marketing, Inc.**

**Program L Product Logic**

**Client: ICA**

When cases are imputed into the database. The AnnualIncome, PolicyString, CurrDB, and Orphan fields are to be filled in on the clients table.

**Assumptions:**

QuoteType = [1: Term only, 2: Perm Only, 3: Term&Perm]

Round all face amounts to nearest 10,000

if age > 55 then BadData("Too Old")

if QuoteType = 1 then

ADB = Request Amount

BDB = Request Amount \* 1.5

CDB = Request Amount \* 2.0

([A,B,C]1 Product = GPT10)

([A,B,C]2 Product = GPT15)

ADBCost = GPT10Rider(ADB)

WPCost = GPT10Rider(WP)

if QuoteType = 2 then

ADB = Request Amount

BDB = Request Amount \* 1.5

CDB = Request Amount \* 2.0

Product for all = MedMax

(we will need the cash values at certain times, say 10 years, 20 years, and age 65, see the interface instructions)

(for the riders, run another case with the adb and take the difference between the premiums as the rider cost, see the interface instructions)

if QuoteType = 3 then

Combine 1 & 2 but with only 2 perm plans

<< calculate cases >>

Relationship = 1 or 2 or 3 or 4 or 5

ChildAlso = True if a quote is requested for a child

MedString = ""

NonMedString = ""

if MedA = 3

MedString = "A"

if MedB = 3

if MedString <> ""

MedString = "B"

else

MedString = MedString + "or B"

if MedC = 3

if MedString <> ""

MedString = "C"

else

MedString = MedString + "or C"

if MedA < 3

NonMedString = "A"

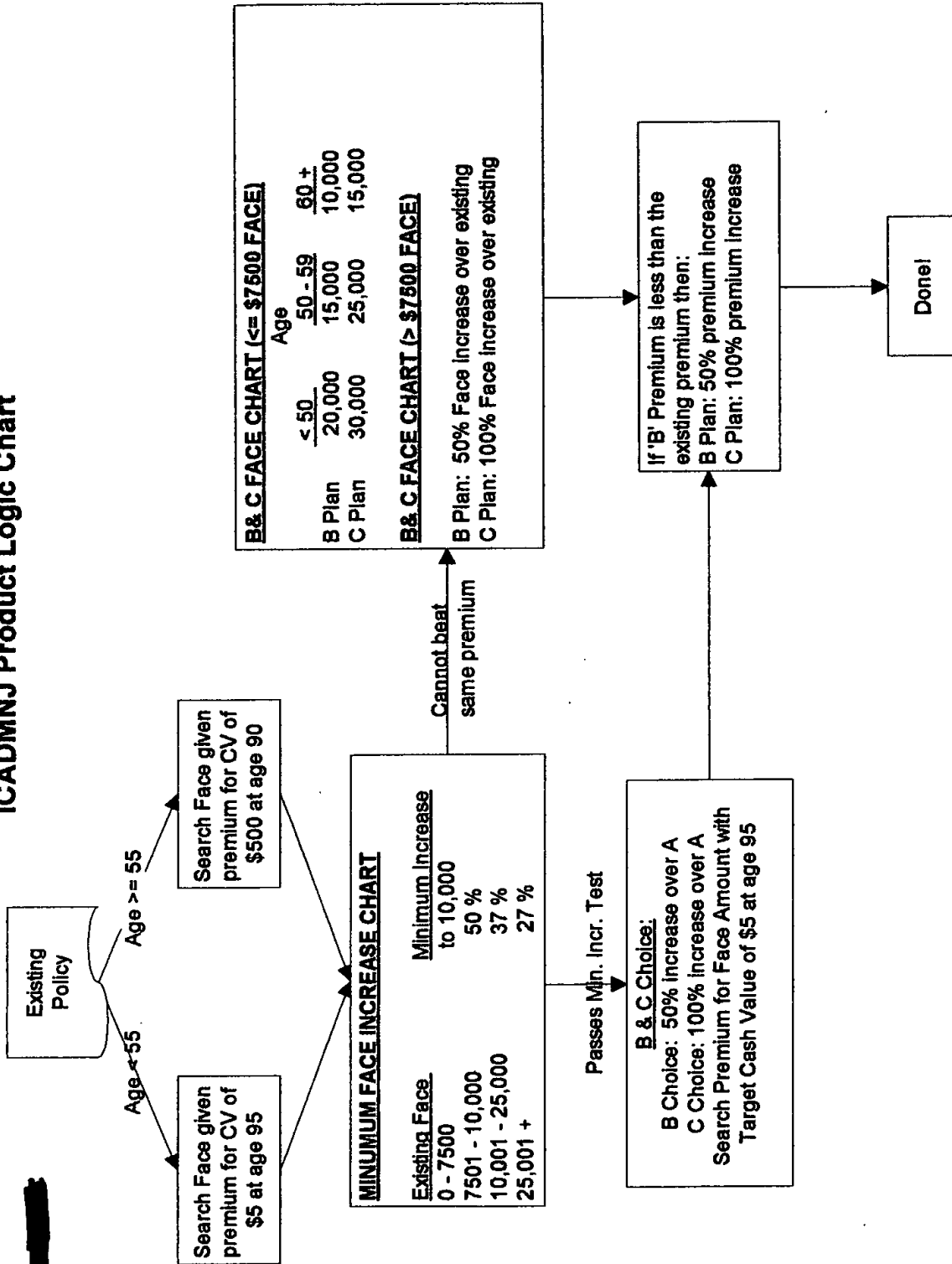
if MedB < 3

if NonMedString <> ""

NonMedString = "B"

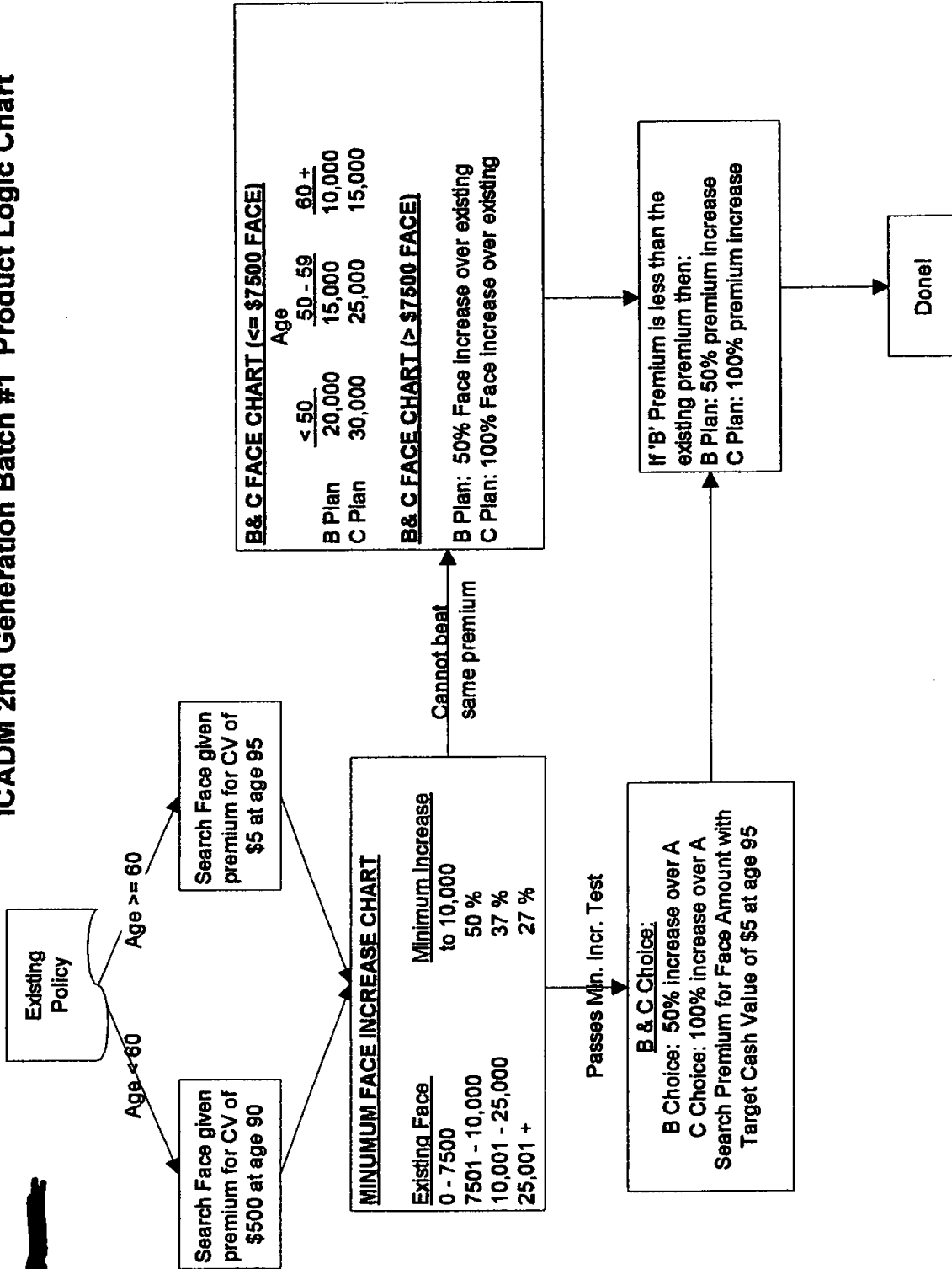
```
        else
            NonMedString = NonMedString + "or B"
if MedC < 3
    if NonMedString <> ""
        NonMedString = "C"
    else
        NonMedString = NonMedString + "or C"
```

# ICADMNJ Product Logic Chart



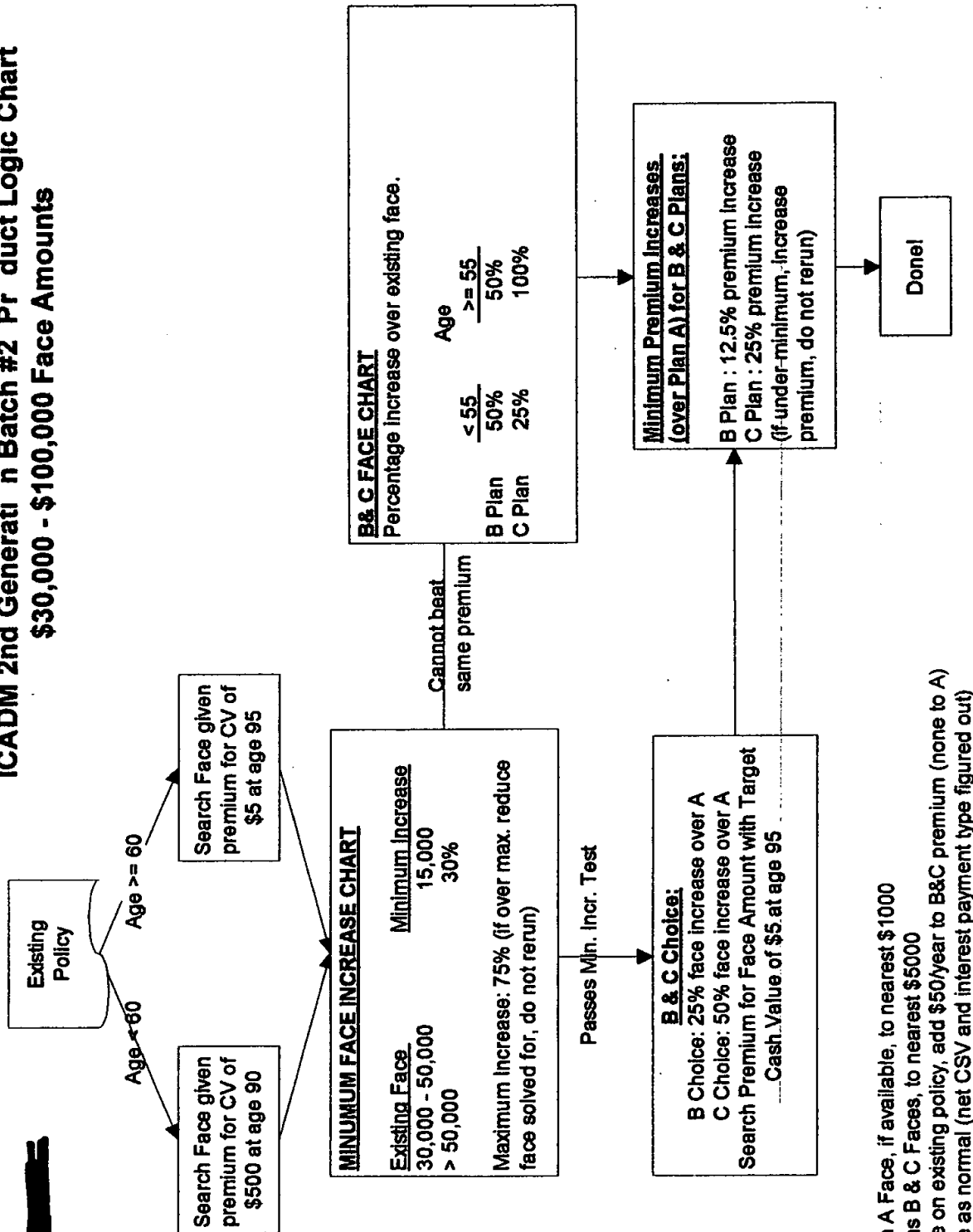
# ICADM 2nd Generation Batch #1 Product Logic Chart

Exhibit 5



# ICADM 2nd Generation Batch #2 Product Logic Chart \$30,000 - \$100,000 Face Amounts

Exhibit b



## Notes:

- 1) Round Plan A Face, if available, to nearest \$1000
- 2) Round Plans B & C Faces, to nearest \$5000
- 3) If Riders are on existing policy, add \$50/year to B&C premium (none to A)
- 4) Loans done as normal (net CSV and interest payment type figured out)

Exhibit 7

Lotus SmartSuite 1-2-3 - [(R0) D:\PROGRAMMING -

File Edit View Create Range Sheet Window Help

AA3

ICA INSURANCE SERVICES

DMA PROGRAM RECONSILIATION

RE-DONE SET W/O > 30K AND SUBSTANDARDS

		DM	NON-DM
TOTAL IN SET:	554		
TOTAL:	384	154	
ALREADY MAILED:	93	0	
BAD ADDRESS:	21	14	
BAD LOAN:	18	8	
BAD MODE:	4	6	
RIDERS:	62	35	
TOO YOUNG:	28	1	
MAILED:	158	90	
TOTAL MAILED:	248		
PERIZZY:	281		

DISCREPANCY IS ONE OF TWO SOURCES:

1) >30k MAILED OUT

2) DUPLICATE MAILINGS

Workbook Properties

View \ General \ **Statistics** \ Notes/FX Fields \ Security

Size: 3620

Sheets: 1

Created: [REDACTED]

Created by: DARREN

Last edited: [REDACTED]

Last edited by: DARREN

Total edit time: 12

Total revisions: 5

Last printed:

Recalculation: Automatic Natural 1 Iterations

OK Cancel Help

start

# Exhibit 8

Lotus SmartSuite 1-2-3

File Edit View Create Range Sheet Window Help

AAM

	A	B	C	D	E	F	G	H	I	J	K	L
1	ICA INSURANCE SERVICES											
2	DMA PROGRAM RECONCILIATION											
3	30 - 100K FACE AMOUNTS											
4												
5												
6	TOTAL IN SET:	533										
7												
8		NON-DM	DM									
9	TOTAL:	236	297									
10	ALREADY MAILED:	0	120									
11	BAD ADDRESS:	15	0									
12	BAD LOAN:	11	0									
13	BAD MODE:	13	0									
14	RIDERS:	0	0									
15	TOO YOUNG:	5	0									
16												
17	MAILED:	192	177									
18												
19	DELETED:	37										
20												
21	TOTAL MAILED:	332										
22												
23	RE-WORKS:	9										
24												
25												
26	PERIZZY:	159	164	323								
27												
28												
29	NOTES:											
30	1) DELETED means cases printed, but not mailed (Pension plans, etc.)											
31												

Workbook Properties

View \ General \ **Statistics** \ Notes/FX Fields \ Security

Size: 3896

Sheets: 1

Created: [REDACTED]

Created by: DARREN

Last edited: [REDACTED]

Last edited by: SUPERVISOR

Total edit time: 24

Total revisions: 10

Last printed:

Recalculation: Automatic Natural 1 iterations

OK Cancel Help

start

Exhibit 9

NEWSPAPER

\*\*\*\*\*3-DIGIT 904  
90200 000453955 02/96  
INSURANCE CNLSLTs CF AMER  
RICHARD LIBMAN PRES #302  
1300 4TH ST  
SANTA MONICA CA 90401-1300

# NATIONAL UNDERWRITER

LIFE & HEALTH/  
FINANCIAL SERVICES EDITION

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JANUARY 22, 1996

\$2.50

NO. 4/100th YEAR

## Agents' Net Home Pages Begin To Generate Leads

By AMY S. FRIEDMAN

At this point, agents with home pages are finding that the Internet is a relatively successful generator of qualified leads.

Whether it will turn into more than that, though, is still unclear. For agents, the key is to keep expectations realistic, say life agents who have put up their own home pages.

Officials at three of the four agencies with which *National Underwriter* spoke said they are getting between 5 and 20 visits a week. Most of the visits, though, are probably from curious browsers, said agent Joseph Romano, who owns Insurance

One, an independent life brokerage in Ormond Beach, Fla.

Mr. Romano said he gets an average of 10 requests a week, and to date (his page has been up about a year), he's sold four policies. However, he doubts that a lot of the requests were serious inquiries.

His home page, like many agent pages currently on the Internet, has a form for visitors to fill out for quote information. However, he said, visitors who asked for information didn't fill out the form. "I think people want to see if there's someone on the other end—they're still feeling it out," he said.

Though results did not differ markedly from agent to agent, their responses to the results did. One agent happy with his home page's results is Daniel E. Kompass, owner

of Kompass Associates, an insurance agency specializing in life, health and disability insurance in Mashpee, Mass.

His home page, which he said cost him between \$150 and \$500 to build, has been up for about a year. "Two weeks after I put it up, I started getting messages posted to my e-mail box," he said.

He acknowledged that a home page is an inexpensive qualified lead generator. Right now, at a cost of \$20 a month to maintain the Internet

address, he gets between 6 and 20 messages a week, out of which he's had "at least half a dozen sales," in health and in

**Basically, Agents See It As An Effective 24-Hr. Advertisement**

individual and group term.

He also has a side business helping other agents develop home pages. "I'm working with six agents right now," he said.

An agent who is disappointed to date with the response to his firm's home page is Richard Libman, president and CEO of ICA Insurance, Santa Monica, Calif.

ICA has had a home page since August, and Mr. Libman said he hoped his company could get a jump on direct marketing via the Internet. "We want to be there in case it booms," he said.

Thus far, he said, he's been getting 15 to 20 requests a month through the page. Most of the requests have been for quotes, which he said have resulted in three applications.

Cont'd on Page 14

## Home Pages Starting To Generate Leads

Cont'd from Page 7

He termed these results "disastrous, compared to how we usually do with direct marketing." Out of 1,700 solicitations in one of his firm's direct marketing programs, 19 percent usually send applications, he

said.

Though Mr. Libman is pessimistic about near-term prospects—"I don't think the Internet will be an effective direct marketing tool for at least two to four years"—he does acknowledge that the tool's newness might be the reason for the low response rate.

Agents, he said, "will be able to sell term and annuities, but not permanent, because it's more complicated, and needs more work than just a simple price quote."

One of the newer home pages on the Internet belongs to A.N. Ansary & Associates, a multiline agency in Port Washington, Wis. About 25

health and 401(k) plans.

According to Gregory Kirsch, who heads up operations for Ansary, the page is being used as a lead generator. "Basically, it's a 24-hour-a-day 7-day-a-week advertisement," and \$20 a month to keep it up on the Internet, "it's cheaper than cable" a lead generation system, he said.

So far, he said, Ansary's page had a few visits, but nothing yet fit its life or 401(k) business.

Insurance One's Joe Romar agrees that Internet-generated sales will be easier in the future. "I cannot stop because it's not the overnight success we thought it would be. As it becomes more ordinary